

2007-2008 PERFORMANCE PLAN – Portfolio Manager / Global Equity Investments (C. Dandurand)

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Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
20%	Risk Managed Absolute Return Strategies Program	Excess return deviation in basis points relative to: Program policy. (SNLCA1 vs. CPERHEDG2)	0 basis points = 0 + 50 basis points = 1.0 +100 basis points = 1.5
20%	Domestic External Equity Performance	Excess Return in basis points relative to: Customized benchmark created from investment weighted-indices. (SNDCA1 vs. CPERSND2)	0 basis points = 0 + 50 basis points = 1.0 +100 basis points = 1.5
20%	International External Equity Performance	Excess Return in basis points relative to: Customized benchmark created from investment weighted-indices. (SNFKA1 vs. CPERNFK3)	0 basis points = 0 + 50 basis points = 1.0 +100 basis points = 1.5
15%	Global Equity Performance	Excess return deviation in basis points relative to: Global Equity Performance Benchmark. (GLOBIC vs. CPERSGE2)	-50 basis points = 0 -10 basis points = 1.0 +15 basis points = 1.5
75%	Subtotal	Quantitative Measures	

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	<p>Demonstrate leadership within CalPERS and in the external investment community, as both industry and staff (or team) leaders. Dimensions, all of which will be considered, include:</p> <ul style="list-style-type: none"> • Within Investment Group (e.g. teamwork within and across asset classes, timely preparation of staff performance appraisals, appropriate employee recognition) • Trustees (e.g. written and oral presentations to Investment Committee and Investment Policy Sub-Committee) • CalPERS (e.g. involvement in enterprise-wide initiatives and programs) • External Investment Community (e.g. relationships with external business partners and stakeholders, presentations at conferences and similar events, representation on external boards and committees) 	From Schedule
10%	Risk Managed Absolute Strategies Program / Internal Equity Program	Fund at least one manager on the Portable Alpha / Equitization platform by June 30, 2008.	0 managers = 0 1 manager = 1.0 2 managers = 1.5
25%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	